

Education and Workforce Development Cabinet

Kentucky's jobless rate increases to 10.3 percent in December

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Editor's Note: Preliminary December and revised November labor market information are included in this release.

FRANKFORT, Ky. (Jan. 21, 2011) — Kentucky's seasonally adjusted preliminary unemployment rate increased to 10.3 percent in December 2010 from a revised 10.2 percent in November 2010, according to the Office of Employment and Training (OET), an agency of the Kentucky Education and Workforce Development Cabinet.

The December 2010 jobless rate is .3 percentage point lower than the 10.6 percent rate recorded in December 2009 for the state. The 10.3 percent rate recorded in December 2010 is the highest rate since May 2010 when it was 10.4 percent.

"Kentucky's economy continued to struggle in December 2010. The unemployment rate increased to 10.3 percent as weakness in the residential construction industry and extremely cold and wintry weather caused construction jobs to plummet. Contraction in the financial activities sector provides additional evidence of the slowdown in the housing market," said Dr. Justine Detzel, OET chief labor market analyst.

The U.S. seasonally adjusted jobless rate decreased from 9.8 percent in November 2010 to 9.4 percent in December 2010, according to the U.S. Department of Labor.

Unemployment statistics are based on estimates and are compiled to measure trends rather than actually to count people working.

Five of the 11 major nonfarm North American Industry Classification System (NAICS) job sectors reported an employment increase in December 2010, while six decreased, according to OET. A decrease of 2,800 jobs in December 2010 brought Kentucky's nonfarm employment to a seasonally adjusted total of 1,778,000. In contrast, Kentucky's nonfarm employment has grown by 12,000 workers since December 2009.

According to the seasonally adjusted employment data, Kentucky's professional and business services sector surged by 2,700 positions in December 2010. This area includes professional, scientific and technical services; management of companies; and administrative support and waste management, including temporary help agencies. Since last December, jobs in the sector have climbed by 3,000.

"December 2010 represents the second time in the last three months employment has increased at professional and business services companies. The job gains are attributed to administrative and support enterprises, which is a sign of temporary jobs at call centers," said Detzel.

Employment in the other services sector, which includes such establishments as repair and maintenance businesses; personal and laundry services; religious organizations and civic and professional organizations, jumped by 1,100 positions in December 2010. This sector had 2,300 more positions in December 2010 as compared to December 2009.

The trade, transportation and utilities sector gained 500 jobs in December 2010. This area includes retail and wholesale trade, transportation and warehousing businesses and utilities. It is the largest sector in Kentucky with 366,300 employees. Since December 2009, the number of jobs in this sector has jumped by 8,200.

Kentucky's manufacturing sector added 400 jobs in December 2010. Since December 2009, employment in the manufacturing sector has climbed by 6,100 positions.

"The year-over-year job growth occurred in the durable goods subsector, which is indicative of openings and expansions at automobile plants, as well as various durable goods producers from steel cabinet manufacturers to appliance plants," Detzel said.

The information sector reported 200 more workers in December 2010 than November 2010. This segment, which includes firms involved in publishing, Internet activities, data processing, broadcasting and news syndication, has decreased by 300 positions since December 2009.

Construction sector jobs plummeted by 3,800 in December 2010. Since December 2009, employment in the construction sector has plunged by 7,200 jobs.

"The expiration of the federal home buyer tax credit is crimping the residential construction industry. In addition, extremely cold and wintry weather, with snow and ice mixes, curtailed construction projects and work by specialty trade contractors in December 2010," said Detzel.

Kentucky's leisure and hospitality sector dropped by 1,500 jobs in December 2010. Since December 2009, the sector has gained 2,000 positions. The leisure and hospitality sector includes arts, entertainment and recreation, accommodations and food services and drinking places industries.

The financial activities sector lost 1,100 jobs in December 2010. This segment, which includes businesses involved in finance, insurance, real estate and property leasing or rental, has 2,300 fewer positions than in December 2009.

The educational and health services sector reported a drop of 600 workers in December 2010. The sector has gained 2,100 workers since December 2009. This sector includes private and nonprofit establishments that provide either education and training, or health care and social assistance to their clients.

The government sector, which includes public education, public administration agencies and state-owned hospitals, declined by 400

jobs in December 2010. The sector has 2,100 fewer jobs than in December 2009.

Employment in the mining and logging sector dipped by 300 workers in December 2010. The sector has gained 200 workers since December 2009.

The U.S. Bureau of Labor Statistics' monthly estimate of the number of employed Kentuckians for December 2010 was 1,876,743 on a seasonally adjusted basis. This figure is up 869 from the 1,875,874 employed in November 2010, and up 28,486 from the 1,848,257 employed in December 2009.

The monthly estimate of the number of unemployed Kentuckians for December 2010 was 214,456, up 1,967 from the 212,489 Kentuckians unemployed in November 2010, but down 5,200 from the 219,656 unemployed in December 2009.

The monthly estimate of the number of Kentuckians in the civilian labor force for December 2010 was 2,091,199. This figure is up 2,836 from the 2,088,363 recorded in November 2010, and up 23,286 from the 2,067,913 recorded in December 2009.

Civilian labor force statistics include nonmilitary workers and unemployed Kentuckians who are actively seeking work. They do not include unemployed Kentuckians who have not looked for employment within the past four weeks.

Kentucky's statewide unemployment rate and employment levels are seasonally adjusted. Employment statistics undergo sharp fluctuations due to seasonal events, such as weather changes, harvests, holidays and school openings and closings. Seasonal adjustments eliminate these influences and make it easier to observe statistical trends. However, because of the small sample size, county unemployment rates are not seasonally adjusted.

Learn more about the Office of Employment and Training at www.workforce.ky.gov.